

## STRATEGIC OVERVIEW & SCRUTINY PANEL 4 NOVEMBER 2008

*Present :-* Councillor Margaret Kimberley (Chairman)  
Councillors Nick Barlow, Mark Cory, Pauline Hazell,  
Peter Higgins, Mike Hogg, Kim Naish, Gaye Pyman,  
Nick Taylor and Julie Young

*Also in Attendance :-* Theresa Higgins

*Substitute Member :-* Councillor Christopher Hardy  
for Councillor Christopher Arnold

### 20. Urgent Items

Councillor Naish commented that he was unhappy with the number of late reports submitted to members for consideration prior to scrutiny meetings. Councillor Naish said reports for this meeting had not been received until the Friday evening or the weekend prior to the meeting, and had left members of the panel little opportunity to read and digest the contents of each report. Councillor Naish said that whilst these reports had been posted to the Council's website on the Thursday prior to the meeting, again this left little time for members of the public to access this information. Councillor Naish concluded by asking that authors make every effort to ensure reports are made available within the stipulated time scales.

Mr. Robert Judd, Scrutiny Officer confirmed to the panel that the comments of Councillor Naish would be fed back to Executive Officers and Heads of Service.

**Councillor Peter Higgins (in respect of his wife being the Portfolio Holder for Culture, Tourism and Diversity) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

### 21. Investment in Firstsite Limited

#### **Have Your Say**

Essex County Councillor, Richard Bourne, addressed the panel saying this review of Firstsite and the project Firstsite Newsite are inextricably linked and to try to review these as two separate items was not possible. Councillor Bourne said there was an expectation that there would be at some point an expert evaluation of the Firstsite Newsite project, but tonight's meeting did not meet this criteria, and whilst people were still waiting for this and still patient, it was wearing thin. Councillor Bourne said there was little point in evaluating the partnership arrangements until a review of the financial arrangements for Firstsite Newsite had been completed. Councillor Bourne concluded by re-iterating his request for a proper, external evaluation of the financial arrangements for Firstsite Newsite.

Mr. Andy Hamilton addressed the panel saying the report lacked substance, and that

the use of the word investment in the title of the report was a misuse of the English language. Mr. Hamilton felt there would be no return on the investment for the Borough of Colchester. Mr. Hamilton expressed disbelief that the taxpayer would be expected to keep the new build project financially moving, whilst more important issues during the current financial climate needed addressing.

Mr. Hamilton said the Firstsite Committee held meetings in secret and would not disclose their business plan, though still expected to receive huge additional subsidies to run the Firstsite Newsite building. Mr. Hamilton concluded by saying it will fall on the Council to keep this project running, though he believed the new building was a guaranteed failure and the Council were ignoring his and other people's warnings.

Councillor Dopson, Portfolio Holder for Performance and Partnerships addressed the panel, explaining that she had queries and reservations concerning this item. In reference to paragraph 2.4 of the covering report, and any scrutiny of Firstsite's business plan, Councillor Dopson said smaller groups and organisations, partners to the Council, were subject to far greater scrutiny of their business plan than was the case with Firstsite. Councillor Dopson queried the total 2006-07 Firstsite turnover of £957,462, as shown in paragraph 3.2 of the report, saying a detailed breakdown of this figure was required to allow members the opportunity to justify the Council's investment of £185,000 in the organisation. Councillor Dopson said members needed to have more detail on the financing of the organisation and how it works in order to satisfy the panel that the Council was getting value for money.

Councillor Tim Young, Portfolio Holder for Street and Waste Services addressed the panel, saying that the Labour Group had been the most sceptical group about the new Visual Arts Facility, and had requested a referendum on whether to go ahead with this project, a request that was refused. Councillor Young said his group remain sceptical about the ability of Firstsite to run the new arts facility on the completion of the build. Councillor Young said he had been refused the opportunity to attend a Firstsite annual general meeting, stating that Mr. Hamilton's earlier statement on this was worthy of further investigation. Councillor Young concluded by saying he had continually asked about progress towards fundraising by Firstsite, though information was never forthcoming, eventually he was told that fifty percent of the fundraising figure required towards the new build had been achieved. Councillor Young asked what is the current situation with regards to fundraising.

Mr. Chris Paveley, Chairman of Firstsite, Ms. Kath Wood, Director of Firstsite, and Mr. Wayne Warner, Commercial Director of Firstsite, attended the meeting for this item and gave a presentation on what the Council's investment in Firstsite delivered, including, a profile on visitor numbers, audience profile, leverage income, national recognition, working across the community, skills development and future plans.

In response to Councillor P Higgins, Ms. Wood said Firstsite's claim that Firstsite had gained national recognition was due to national press coverage within a Local Government Journal, and for the organisations association with Tate Connects, a programme launched by the Tate for the purpose of strengthening programmes, supporting artists, attracting audiences across the UK and creating a diverse, highly skilled workforce in the visual arts sector. Ms. Wood said the priority for Firstsite in

2009, prior to the new visual arts building being complete, will be to work locally in the communities, though until this building was operational, it would restrict visitor numbers, which would have a knock-on effect on revenue. Mr. Paveley said until the building was complete it would restrict investment in catering, sponsorship and events, with investors waiting for the new building to open. Mr. Paveley said the new building would attract new partners in the future, such as the Paul Hamlyn Foundation, who have committed to a six figure funding for labeling rights.

In response to Councillor Naish, Mr. Paveley and Ms. Wood confirmed that Firstsite was officially told of the delay to Firstsite Newsite in the early part of the 2008 summer, though work on future plans was being prepared in anticipation of this news. Mr. Paveley confirmed that Newsite are not party to negotiations in regard to the construction contract.

In response to Councillor Naish, Ms. Josie Worner, Cultural Services Manager said Firstsite are currently operating without a venue. The Victor Batte-Lay Trust, owners of the Minorities building are currently leasing the building to the Colchester Institute for the 'Generation Programme'. Ms. Worner, in response to Councillor Barlow, said there was a tripartite agreement between the three major investors in Firstsite to monitor financial and visiting statistics and to examine how each of the partners are delivering their objectives.

Mr. Warner, in response to Councillor J Young, said Firstsite's business plan included commercially sensitive information, and if published, would disclose knowledge to competitors which would have a knock-on affect on revenue and investments. Ms. Worner said participation in the arts was a general indication of the wellbeing of local people. Councillor J Young said the unwillingness of Firstsite to share their business plan gave the Council difficulty in tracking e.g. educational attainment, and whilst acknowledging the benefit of participation in the arts for local people, expressed discontent at not been able to scrutinise the Firstsite business plan.

In response to Councillor J Young, Ms. Wood said Firstsite had in the past monitored visitor numbers to the Minorities and it showed statistically that an estimated 10-15 percent of visitors only used the café. It was confirmed to Councillor Taylor that the competitors referred to in regard to the business plan, were companies vying for conferencing, retail and catering contracts.

Ms. Worner confirmed that there was a strong partnership between the funding partners, but that if a part of this funding was lost, it could degrade the core of the purpose of the partnership.

Mr. Adrian Pritchard, Chief Executive, Colchester Borough Council, addressed the panel explaining that the Council's funding was crucial to the partnership, the level of which was a decision taken by Council. This figure could be increased or decreased in future Council budgets, but this was not a decision taken by the Cultural Services Manager. Mr. Pritchard said Essex County Council and Arts Council England East (ACEE) had invested heavily in Colchester because they were confident in the organisations they were investing in. The ACEE has rigorous scrutiny processes in place to ensure it receives what it expects from its investment.

Mr. Paveley confirmed that Firstsite were not party to negotiations to the Firstsite Newsite project, but were producing a business plan based on the opening of the new building and as required by the funding partners and this would be accessible to Colchester Borough Council.

In response to Councillor Naish, Councillor's T Higgins and Dopson confirmed that they had not seen a Firstsite business plan. Councillor Dopson said whilst the panel had heard about

a Firstsite project at Jaywick, Tendring, and commercial activities, she felt the presentation had been sketchy, and with no business plan to scrutinise, was no clearer about the partnership arrangements.

Councillor P Higgins said he would like to see a further review of the partnership arrangements, with a business plan for the time leading up to the opening of the new visual arts facility, and details of the fundraising activity, to reassure the panel and to enable them to note the partnership with confidence. Councillor Barlow requested that a future review would include the partnership monitoring arrangements in the past and for the future.

Councillor Kimberley thanked representatives from Firstsite for attending the meeting and giving a presentation to the panel.

*RESOLVED* that the panel requested a further review of the Council's partnership arrangements with Firstsite, at the earliest convenient meeting, and to include details of the Firstsite business plan, a timeline of when the three major partners entered into the partnership, and the fundraising activities.

**Councillor Peter Higgins (in respect of his wife being the Portfolio Holder for Culture, Tourism and Diversity) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**22. Review of the work of the Portfolio Holder for Culture, Tourism and Diversity in respect of Colchester's Roman Heritage**

**Have Your Say**

Mr. Andrew Hemmings addressed the panel, saying Colchester retained some of the best roman remains in the Country, some unique, such as the Roman Circus. That said, Mr. Hemmings remained concerned about the state of the current roman heritage, for example, the Roman Wall, taking the view that it was not particularly well looked after.

Mr. Hemmings believed people having visited roman towns and cities such as Bath, Chester and York, would, when visiting Colchester, think our roman heritage (RH) was not looked after or well presented. Mr. Hemmings felt that by not marketing or

presenting the roman heritage was a commercially lost opportunity.

Councillor Willetts addressed the panel, saying the panel had agreed to his request to review Colchester's RH (as part of the work of the Portfolio Holder for Culture, Tourism and Diversity) separately from the remainder of the portfolio responsibilities as it was worthy of review in its own right. Councillor Willetts said Colchester is miserly in its contribution towards RH and in particular the Roman Circus, a unique differentiator for Colchester, treating RH as a millstone around its neck.

Councillor Willetts said the RH reserve fund was lost in 2001/02 and was the start of a reduction in funding and the will to preserve our RH. Councillor Willetts concluded by requesting serious effort by the forward planners to ensure a fully costed programme and assessment of all ten RH sites was undertaken.

Councillor Theresa Higgins, Portfolio Holder for Culture, Tourism and Diversity presented the report on Colchester's RH. Photographic slides were shown of a Map of Roman Colchester, the Roman Walls at Roman Road (to be refurbished), Priory Street (refurbished) and Balcerne Gate, the Butt Road Roman Church and Colchester Roman Circus.

Mr. Philip Wise, Heritage Manager, addressed the panel, explaining the development of the Roman Circus as a new visitor attraction, including a gladiatorial virtual reality facility along the lines of the cinematic film Ben Hur, visitor direction signs and orientation points.

Councillor T Higgins said whilst there was no longer a Heritage Reserve, the panel, if it were so desired, could propose to Cabinet a reinstatement of this reserve.

Councillor Hogg suggested to the Portfolio Holder that an invitation should go to Lewis Hamilton, F1 World Champion, to publically open the Roman Circus.

Councillor Hogg and Councillor Naish thanked officers for a very good, informative report. Councillor Hogg also asked the Portfolio Holder to consider an exchange package on RH with Colchester's twin towns.

Councillor Young welcomed this report, saying Colchester does undersell itself. Councillor Young endorsed the comment by the Portfolio Holder to propose to the Cabinet a reinstatement of the Heritage Reserve Fund.

Councillor Kimberley added her congratulations to officers on the report and thanked the Portfolio Holder for Culture, Tourism and Diversity and officers for attending the meeting.

*RESOLVED* that the panel:

- i) Noted the report on the Review of the work of the Portfolio Holder for Culture, Tourism and Diversity in respect of Colchester's Roman Heritage.
- ii) Proposed to the Cabinet a request to have the Heritage Fund Reserve reinstated into the 2009-10 Budget.

- iii) Requested an update report on Colchester's Roman Heritage in 2009-10.
- iv) Asked the Portfolio Holder for Culture, Tourism and Diversity consider innovative ways of marketing Colchester's Roman Heritage, e.g. sponsored signage / visual displays to show where the RH locations are, a location for cinematic and television filming.

## **23. Minutes**

The minute of the meeting held on 23 September was confirmed as a correct record, subject to the following amendment. Item 19, A New Nuclear Power Station at Bradwell, Have Your Say, paragraph 3, sentences 2, 3 and 4 to read;

Mrs. Whitney said electricity is only one-fifth of climate change gases and energy use, and nuclear power provides only one fifth of electricity production. With this in mind Mrs. Whitney said if nuclear energy can only make around four percent difference if the current capacity is replaced with new nuclear power stations, a greater effect can be achieved by saving wasted energy and energy efficient measures. Mrs. Whitney spoke of the continual rising costs of decommissioning old power stations, a figure that had recently increased by £10 billion and now stood at £83 billion.

Councillor Barlow congratulated officers in providing a detailed minuted account of what had been a very informative and successful debate.

## **24. Consultation on the Strategic Siting Assessment Process (SSA) and Siting Criteria for New Nuclear Power Stations in the UK**

### **Have Your Say**

Ms. Val Mainwood addressed the panel saying on behalf of the group, Bradwell for Renewable Energy, she congratulated the Scrutiny Panel on the open-minded way it has engaged with the public, in particular with the people of West Mersea.

Ms. Mainwood was equally pleased to see the thoughtful assessment that the Panel has produced. A recommendation from Colchester Borough Council for a thorough review would benefit not only those on Mersea, but all who are in similar proximity. Ms. Mainwood said we cannot condone leaving Health out as a criterion in the SSA, given the reported links to childhood leukemia's and other cancers. Ms. Mainwood also asked the Council to consider the following implications in any future reviews.

Ms. Mainwood said the recent focus on British Energy's plans to build a twin reactor was only part of the story. The Nuclear Decommissioning Authority (NDA) is preparing to sell a tranche of land adjacent to the old Magnox site, and the journal Nuclear Engineering International recently wrote of the implications, describing how the NDA, in order to maximise its profits due to short-fall in Government subsidy, is encouraging hot competition amongst the major European utility companies. It was envisaged that the

land at Bradwell could sell, in real estate terms, from £2million to £6 million per acre, the equivalent of prime residential development land in London, and to recoup the costs, the successful utility will want to take full benefit of the land potential. But because a single nuclear site might be able to accommodate two or even three reactor units, the total profitability of each station could be as high as £4.8 billion for a twin-unit, or £5 billion for a triple-unit AP1000, 4-5 times larger than that of a single reactor.

Ms. Mainwood concluded by saying in the future Mersea residents could be looking over the Blackwater Estuary at five or more nuclear reactors, together with a twin reactor in a state of decommissioning, in a heavily industrialised landscape. Once the land is sold, all decisions (other than regulatory) will be out of Whitehall's hands, and of course ours. Where the public fits into this scenario is far from clear. The SSA Criteria do not include the impact of local views on any plans. It seems that commercialisation of our energy supply means that we the public are squeezed out of major plans for our area.

Mrs. Paula Whitney addressed the panel saying she was pleased that Colchester Borough Council had shown an interest, and thanked them for being involved and responding to the Government consultation.

Mrs. Whitney said she would like to see the Council's response be extended to take account of other factors. Mrs. Whitney said Bradwell, in close proximity to large populations, was on an earthquake fault line, and certain areas of the Borough, including West Mersea Island are at risk from tidal flooding. If a major incident occurred on or close to West Mersea Island, for example at Bradwell, West Mersea Island and the surrounding area with south to south westerly prevailing winds would be in the direct path of any contamination. Mrs. Whitney said she would like to see the response include 'storm surge and coastal processes' as an exclusionary criterion along with an added exclusionary criterion of 'evacuation'.

Mrs. Whitney also believed that areas such as around the West Mersea Island, that have sites of natural beauty, of natural scientific interest, that attracted tourism and provided commercial fishing waters, should be granted exclusionary status.

The Chairman, Councillor Kimberley, and Councillor Higgins expressed congratulations to the residents of West Mersea and members of the panel for attending the review at West Mersea Island on 23 September 2008, and in what was generally agreed to be a thoughtful and balanced debate.

Councillor Kimberley thanked Ms. Mainwood and Mrs. Whitney for addressing the panel, explaining that their comments had been recorded and would and would be considered at future review meetings.

Councillor Higgins said he did not think seismic risk was a criterion that should be given any serious consideration. Councillor Higgins said any new build nuclear power stations are built to withstand earthquakes far beyond any that had been experienced in Europe in the last 5,000 years, citing as an example, those built in California on the San Andreas fault line. Councillor Higgins suggested any response stating seismic risk as an exclusionary criterion would harm the credibility of the Council's response.

Mr. Robert Judd, Scrutiny Officer, addressed the panel saying that he had received many responses from interested members of the public, and in view of these responses and the views taken by the panel at the West Mersea Island, asked the panel to agree to extend the proposed response to suggest the inclusion of 'storm surge and coastal processes' as a separate exclusionary criterion (given this was inextricably linked to flooding), and to address the issue of evacuation within the response.

*RESOLVED* that the panel;

- i) Commented and noted the proposed response by the Leader of the Council on the Consultation on the Strategic Siting Assessment Process and Siting Criteria for New Nuclear Power Stations in the UK.
- ii) Agreed that the response should be expanded to include 'storm surge and coastal processes' and 'evacuation'.